

committee "all right to reimbursement for the expenses of any services for any condition arising out of or in connection with such treatment or care shall be forfeited hereunder."

The application for a policy contained a provision by which the policyholder appointed the policyholders' committee of the company his attorneys in fact and proxies for a period of seven years to represent the policyholder and to vote for him at all regular and special meetings of policyholders, including those meetings at which the committee itself should be elected. It seems rather obvious that the intent of the Benjamin Franklin Life Assurance Company was to control the personnel of the so-called "policyholders' committee."

Two of the three justices of the District Court of Appeal held that the foregoing insurance policy was fundamentally the same as the policy involved in *Pacific Employers Insurance Company vs. Carpenter*, that is to say, that it contemplated the corporate practice of medicine by the insurance company and that therefore the insurance commissioner did not err in refusing to approve the policy form.

The Benjamin Franklin Life Assurance Company argued that its policy was entirely different from the policy concerned in the *Pacific Employers* case because of the fact that policyholders, through a committee, selected their own physicians and because the company "does not undertake or agree to furnish any medical or other services to its members, nor does it undertake or agree to employ anyone to furnish such services, nor does it undertake or agree to pay to any person compensation who may furnish medical or other services." To this argument two out of the three justices replied:

"This is literally true, but that which the company as such cannot do lawfully, it *requires* its members, by means of a contract with such members as individuals, to accomplish for it through the medium of a so-called 'Policyholders' Committee,' the creation of which is evidently provided for in the by-laws of the company. It should be noted, however, that the so-called Policyholders' Committee is not a committee of the policyholders but a committee of the company. The selection and designation of doctors by said Policyholders' Committee is, therefore, after all, but a selection and designation by the company. The creation of the committee is not a voluntary contribution of the members for mutual benefit, but is a condition contained in the policy at the time of the sale thereof. The company thereby undertakes to do indirectly what it cannot lawfully do directly."

The insurance company also argued that it proposed to do nothing more than has been done for the last eighty years or so by fraternal orders, lodges, religious organizations, benevolent associations, hospitals, hospital associations, labor unions and other employee associations which have been engaged in collecting periodic dues from their members for the purpose of furnishing them medical services to be rendered by doctors employed by such organizations on a salary basis and who are selected not by the patient but by the organization. The majority of the court stated that the Benjamin Franklin Life Assurance Company "is primarily engaged in the sale of medical service—by whatever name it may be called—sold through the medium of insurance. None of the features that are prominently characteristic of the above mentioned benevolent societies are included in the insurance company's so-called 'mutual association.'" Evidently the justices consider that with respect to the corporate practice of medicine there is a distinction between corporations operating for profit and non-profit organizations.

I believe that this case is of great importance. Considering the two cases (*Pacific Employers Insurance Company vs. Carpenter* and *Benjamin Franklin Life Assurance Company vs. Mitchell*) together, it seems rather clear that the Appellate Courts of this state have closed both the front door and the back door to the practice of medicine by corporations organized for profit.

We will watch the proceedings to see whether a hearing is applied for and granted by the Supreme Court.

Very truly yours,

HARTLEY F. PEART.

Concerning present-day plumbing equipment and need of engineering survey.

AMERICAN MEDICAL ASSOCIATION
Bureau of Health and Public Instruction
535 North Dearborn Street, Chicago

July 8, 1936.

Dear Doctor Kress:

Attached are some resolutions passed by the Joint Committee on Health Problems in Education of the National Education Association and the American Medical Association, which were adopted at the meeting of that committee in St. Louis, February, 1936.

In view of the potential importance of this problem, the publication of the resolutions or editorial comment thereon, or both, would be appreciated.

Very truly yours,

W. W. BAUER, M. D.

Resolution Adopted by the Joint Committee on Health Problems in Education of the National Education Association and the American Medical Association, June, 1936

WHEREAS, At the annual meeting of the Joint Committee on Health Problems in Education of the National Education Association and the American Medical Association held at St. Louis, Mo., February 25, 1936, a presentation was made by Major Joel I. Connolly, of the Chicago Board of Health, relating to possible health hazards in apparently modern plumbing installations in public buildings, and

WHEREAS, It was manifest in the said presentation that plumbing fixtures which have been generally regarded as safe and sanitary in design may in fact constitute a real and serious health hazard by reason of the danger of back siphonage and contamination of water supply mains, and

WHEREAS, The probability exists that such apparently modern, safe and sanitary plumbing installations may exist in numerous school buildings in the United States, and

WHEREAS, The existence of such apparently safe, modern and sanitary plumbing installations and reliance upon them brings about a sense of false security, therefore, be it

Resolved, By the Joint Committee on Health Problems in Education of the National Education Association and the American Medical Association that this committee apprehends the possibility of danger to the health of school children from apparently safe, modern and sanitary plumbing installations in school buildings, and be it further

Resolved, That the said Joint Committee earnestly recommends to all school boards and school executives that surveys be instituted by competent engineers to ascertain whether or not the danger of back siphonage and consequent pollution of water supply mains exist in plumbing installations within their jurisdictions, and that such surveys be followed by prompt corrective measures, and be it further

Resolved, That these resolutions be offered for publication to all journals dealing with public health, health education and general education.

Concerning article on Harrison Narcotic Law. (See editorial comment on page 115, and U. S. District Court decision on page 164.

Los Angeles, July 16, 1936.

To the Editor:—I am mailing to you today a copy of the decision handed down by Federal Judge Yankwich in the case against me by the United States for violation of the Harrison Narcotic Act.

This decision should be of interest to every physician in the United States, as it clarifies the question as to who are to determine whether patients are pathologic: narcotic enforcement or physicians?

The indictments were filed against me because I dared to . . .

This fight has cost me a loss of time, money, practice and possibly reputation, and I feel that my defense should have been financed by the Los Angeles County Medical Society, as it was really a test case.

With kind regards, I am

Sincerely yours,

719 South Catalina Street.

E. H. ANTHONY.